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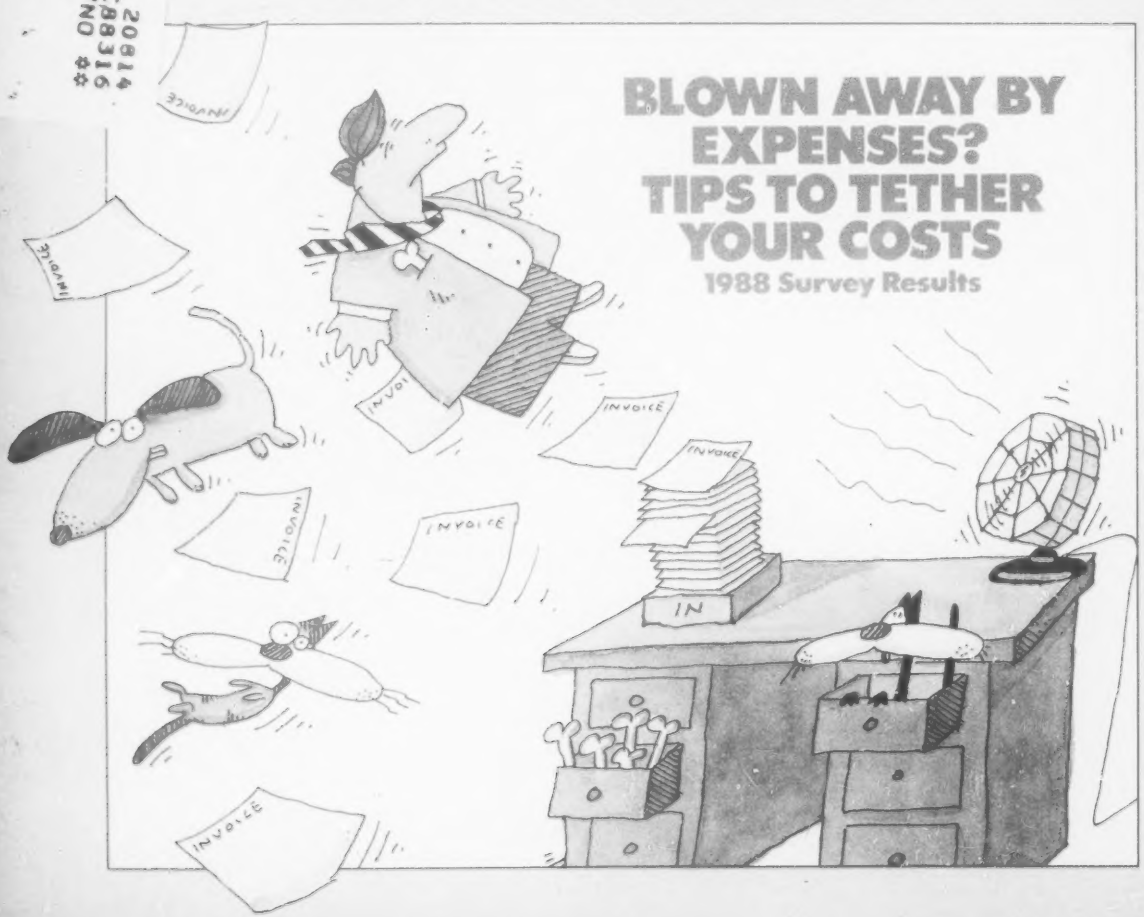
AN ASSOCIATE DVM NEGOTIATES A BUY-IN

FIVE THINGS THAT DRIVE AWAY GOOD EMPLOYEES

WILL YOU LOSE CLIENTS IF YOU RAISE YOUR FEES?

BLOWN AWAY BY EXPENSES? TIPS TO TETHER YOUR COSTS

1988 Survey Results



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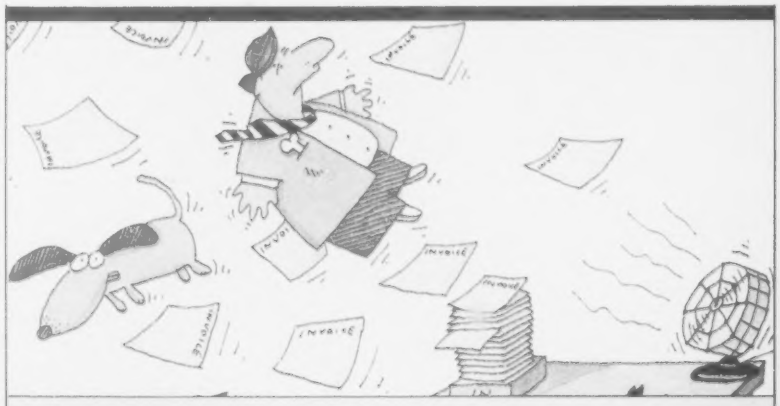

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MEMO FROM THE EDITOR

All clinics great and small

Every fall, we sneak in an ad about our Hospital of the Year competition and hope you'll notice. (It's on page 43 this time.) Many of you *do* notice, and from your entries we select the winning hospitals featured in the magazine nearly every month.

The competition judging is rigorous and is based on the collective experience of two veterinarians and two architects. They look at traffic flow, floor plan, and overall design: How well does each hospital function for the doctors, patients, and clients it serves? But despite the thorough appraisal, there seems to be a nagging belief among many of you that the only things the judges *really* look at are size and money.

We've probably created—and certainly perpetuated—this problem ourselves. Our award-winners are spectacular hospitals, often with spectacular price tags. But among the reasons these hospitals float to the top in our competition is that those of you building spectacular *smaller* hospitals don't let us know you're out there. (Last year, Drs. Dean E. Small and James M. Humphrey, who spent $85,000 making leasehold improvements to create their 1,400-square-foot hospital, *did* let us know they were out there—and they were honored for their efforts with a Merit Award. See the July 1988 issue.)

I think our judges would be delighted to see the high standards they set played out in smaller spaces with smaller budgets. Such feats are obviously as difficult as containing costs in a larger hospital; your entries would heighten the competition and perhaps set new standards for our judges—and for the veterinary profession.

You *all* are invited to enter the hospitals you've built, made leasehold improvements to, or renovated in 1987 or 1988. They don't have to be great big—just great.

Becky Turner

Rebecca R. Turner

BLOWN AWAY BY EXPENSES? TIPS TO TETHER YOUR COSTS

1988 Survey Results

These consultants say that your major expenses —compensation, drugs, and medical supplies— can be managed cost-effectively.

By Catherine Lumetta ASSOCIATE EDITOR

"No matter what the tax scenario is, veterinarians are going to incur expenses," says William Roll, CPA, contributing financial editor to VETERINARY ECONOMICS.

While no business has trouble racking up accounts payable, the business of tracking your costs can be tricky. But monitoring expenses is essential to controlling them. On the pages that follow, you'll find a breakdown of veterinarians' 1987 expenses, gleaned from responses to our 1988 Continuing Survey.

You will also find commentary on the results from key members of our editorial board. They have provided both an analysis of the 1987 figures and hands-on suggestions to help you control your expenses in the future. It's important, they say, to concentrate on income. But, they add, such major expenses as compensation, drugs, and medical supplies can also be managed cost-effectively.

Review fringe benefits

"The advantage to being incorporated used to be big, especially in the fringe benefit area," Roll says. "Now there is virtually no tax advantage to being incorporated."

But fringe benefits may still be an expense to consider, says contributing financial editor Owen McCafferty, CPA. McCafferty says that the total salaries and wages for non-veterinarian assistants usually falls between 14 and 18 percent of *practice* gross, depending on the amount of diagnostic work performed. The total salaries and wages for employed veterinarians, he says, should account for 18 to 24 percent of practice gross. (See the chart on page

32.) Fringe benefits could then add up to 33 percent more, depending on what you offer.

As a result of Section 89 of the Internal Revenue Code of 1986, which is scheduled to kick in Jan. 1, 1989, "all practices should review with their accountants the total packages offered to employees," McCafferty says. The code requires nondiscriminatory payment of benefits across the board. "Many companies are considering amending or eliminating benefits as a result of this change."

For now, McCafferty advises that you review the mix of benefits you offer and consider alternatives; for instance, unreimbursed medical expenses *vs.* medical insurance. One option, he says, is to totally eliminate fringe benefits and adjust salary.

"This way, your salary costs would be totally controllable. Medical insurance is an uncontrollable cost," he says. "Or you could switch to a participatory plan, whereby the employee would pay a portion. The medical benefit issue is going to be costly."

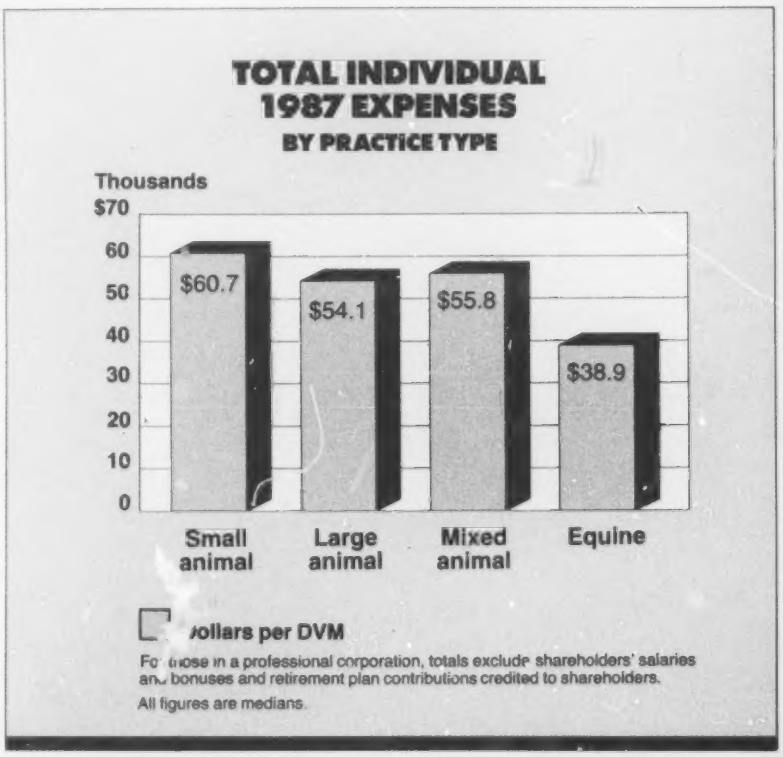
McCafferty also stresses that owner veterinarians assess the impact of fringe benefits in their practices. "Really examine who gets the benefit," he says. "Many practices employ persons who have dual income providers in the family unit. The spouse who isn't employed in the practice may have better coverage than you provide, and your employee will choose to use that plan."

Aside from salary, the other expense you should concentrate on, McCafferty says, is the cost of drugs. (See the chart on page 33.) Drugs and medical supplies usually chip off 16 to 18 percent of gross in a small animal practice, he says. "The 19.2 percent for small animals in this year's results seems high," McCafferty remarks. "If you did a *lot* of merchandising, 19 percent would make sense. But even with a normal amount of merchandising, that 19 percent is still too high."

McCafferty cautions that merchandising must be done in the "right entity, where a client will be writing a separate check from the check for services. There's a fine line where consumer resistance will no longer tolerate a bill, regardless if the mix is 90 percent product and 10 percent service."

"If you want to get into vending, really gear up for it," he says. "Get into a separate facility. Profit margin in a 100-percent markup is only 50 percent."

McCafferty also says the survey's high numbers in the drugs and medical supplies category may be due to expensing unused inventory to decrease tax liabilites. "We're trying to keep tax liabilities down improperly," he says. "The right thing to do is to capitalize inventory—take a



physical every year. Then you would have the ability to measure the true cost of drugs and professional supplies."

"I recommend using a computer to monitor the level of increases in purchasing. But I don't think a small animal practice needs to use the computer to maintain inventory, because it's too costly," he says. "Only in practices where drugs are 35 percent of your income or more, such as in a large or mixed practice, should you pay more attention to drug inventory. I suggest using the Economic Order Quantity to figure the optimum number of units to purchase at a time." (See the August 1988 issue of VETERINARY ECONOMICS, page 42.)

McCafferty says that office or hospital rent usually runs 6 to 8 percent of gross in small animal practices. Continuing education costs about 0.8 percent of gross, while depreciation on equipment currently runs between 1.5 to 3 percent. McCafferty says he's skeptical about the survey numbers for car upkeep and depreciation for small animal veterinarians: "This question is more significant and the numbers more reliable in large, mixed, and equine practices," he says.

In general, McCafferty says practitioners should closely review and monitor costs they can control: compensation, drugs, and medical supplies. "Don't worry about utilities and other uncontrollable costs," McCafferty concludes, "otherwise you'll become a nonproductive bean counter rather than a practitioner of veterinary medicine."

Little things can add up

"It's my experience that veterinarians are very astute at controlling expenses," says David Gallagher, a lecturer in practice management at the New York State College of Veterinary Medicine at Cornell. "It's important that you don't become so obsessed with curbing expenses that you compromise quality. That's a no-no. The real answer to more effective financial performance lies in all of those things one can do to improve income, like internal marketing

COMPARING SALARY EXPENDITURES

With more assistants per hospital, small animal veterinarians incur higher staff costs than other practitioners. Owen McCafferty, CPA, also points out that "the higher the gross per practitioner, the higher each practitioner's expense for non-DVM salaries will be. These practices will have more assistants doing tasks the doctor would do in a lower-grossing practice."

Keep in mind that the figures below include only each individual practitioner's share of the tax-deductible expenses of the group, partnership, or corporation.

Salaries, bonuses, retirement for non-DVM assistants

	1987	1986
All DVMs	$22,600	$20,500
Small animal	26,900	24,700
Large animal	11,600	11,200
Mixed animal	14,800	15,400
Equine	15,600	11,700

Salaries, bonuses, retirement for employed DVMs

All DVMs	$23,900	$22,200
Small animal	23,700	23,800
Large animal	26,900	21,200
Mixed animal	25,000	21,000
Equine	29,400	22,500

and proper fee structure. But that is not to say that you should ignore expenses."

Unlike McCafferty, Gallagher says he thinks the little things are worth monitoring, too. "It's amazing what you can do by just walking around your clinic and looking for such things as a leaky water faucet," he says. "You can lose literally $100 per year from those drips. Also check the temperature setting on your hot-water heater."

Even such things as going to the bank every day can offset your service charges, he says. "On most checking accounts, your average daily balance offsets your service charges, so if you don't deposit every day, you're losing the advantage that money has if it were deposited sooner."

Gallagher also suggests that you scrutinize your Yellow Pages advertisement. "How much do you have to spend to be effective?" he asks. "In general, one inch of column space in a Yellow Pages ad should be as effective as two inches. Weed out useless information such as your hours of operation. People are going to call you anyway, and they'll ask. Include any specialties you have, and whether or not you take emergencies or make housecalls."

Of the Continuing Survey, Gallagher says that the increase in expenses in the drugs and medical supplies category suggests that veterinarians may be merchandising more effectively and aggressively:

"In a small animal practice with good inventory control, I'd

INDIVIDUAL DVM EXPENSES: A COMPARATIVE LOOK

	1987	Percent of gross	1986	Percent of gross
Office or hospital mortgage or rent				
All DVMs	$10,600	7.0%	$10,500	7.3%
Small animal	12,300	7.8	12,400	8.9
Large animal	3,600	2.2	4,100	2.9
Mixed animal	5,400	5.7	5,200	4.9
Equine	5,100	4.7	5,100	4.0
Drugs and medical supplies[1]				
All DVMs	$32,700	21.9%	$29,400	20.6%
Small animal	30,200	19.2	26,200	17.2
Large animal	52,500	34.4	46,500	32.0
Mixed animal	39,200	29.8	39,000	29.5
Equine	28,000	23.7	28,000	24.5
Malpractice insurance				
All DVMs	$ 400	0.4%	$ 400	0.4%
Small animal	400	0.4	300	0.3
Large animal	700	0.6	600	0.4
Mixed animal	600	0.5	600	0.7
Equine	1,700	1.5	1,500	1.2
Continuing education[2]				
All DVMs	$ 800	0.8%	$ 600	0.7%
Small animal	900	0.7	700	0.7
Large animal	700	0.7	600	0.6
Mixed animal	600	0.7	500	0.5
Equine	1,000	0.9	1,100	0.9
Depreciation on medical equipment				
All DVMs	$3,400	2.4%	$3,400	2.3%
Small animal	3,600	2.5	3,800	2.4
Large animal	2,200	1.5	1,600	1.2
Mixed animal	2,900	2.5	3,200	2.1
Equine	3,400	2.9	2,900	2.8
Professional car upkeep and depreciation				
All DVMs	$3,400	2.6%	$3,400	2.6%
Small animal	2,900	2.0	2,900	1.9
Large animal	5,300	4.7	5,700	4.5
Mixed animal	4,800	3.4	4,200	3.3
Equine	6,200	5.5	6,200	5.7

[1]Includes nondepreciable small instruments. All figures are medians.

[2]Includes registration fees, cost of materials and travel, meals, and lodging.

expect the percent of gross for drugs and medical supplies to be around 15 percent," he says. "In a large animal practice, the figure will be more.

"But there's a new phenomenon occurring in small animal practices: veterinarians are merchandising more product. And in most instances, they aren't creating a new category of expense to keep track of this merchandised product. They tend to dump it into drugs and medical supplies."

Gallagher says that veterinarians can better control these expenses if they separate the expenses for nonclinical supplies from those for drugs and medical supplies. "It is better to separate these expenses," he says. "Doing so won't specifically help you control them, but it will allow you to see more clearly what you're spending for drugs and medical supplies. You can't realize the need to control expenses if you don't see the right picture."

Purchase drugs wisely

Harry James, DVM, another member of the VETERINARY ECONOMICS advisory board, thinks that the reported expenses for drugs and medical supplies indicate that *not enough* drugs are being dispensed. "I am so amazed at these figures," the large animal veterinarian says. "That large animal veterinarians spent a median of $52,500 is nothing! I imagine this figure includes merchandised products, and I just don't think they're doing enough."

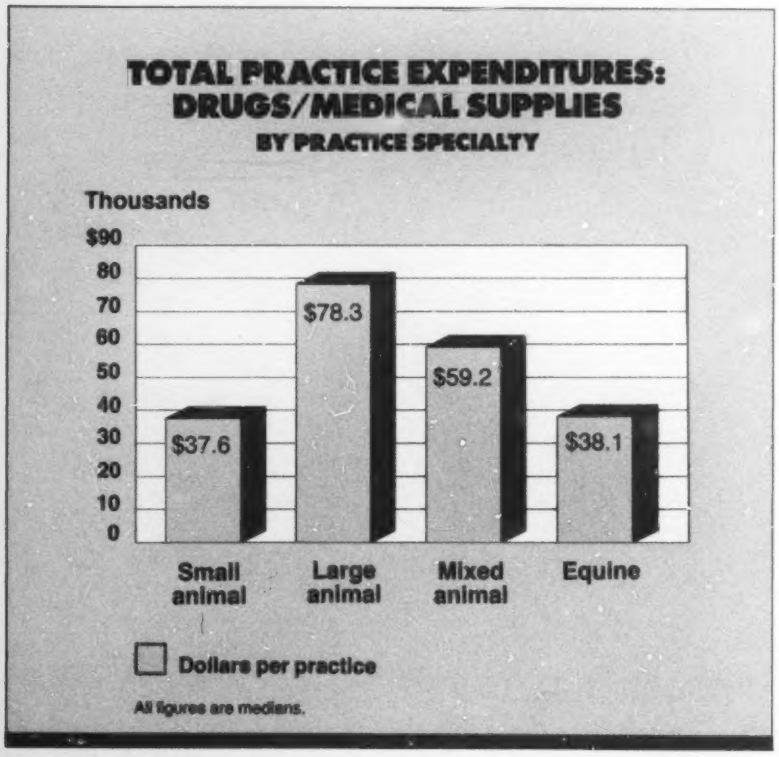
"Unfortunately, it's absolutely necessary for large and mixed animal DVMs to dispense in order to make a contact with the clients that other merchandisers are taking away from them," he laments. "That contact may lead the client to call on you later for other services. For that reason, I'd like to see these numbers going up."

Dr. James says that it is important to buy only the amount of drugs you need, and to purchase more effectively. He suggests joining marketing groups, or going in on drug purchases with a neighboring colleague. "You can often get drugs and medical supplies at distributor prices," he says. "These types of cooperative efforts are going on everywhere."

Dr. James also expresses alarm at the small amount of money veterinarians are spending on continuing education. "People either are not going to these meetings, or they're not reporting them," he says. "It's very, very important to go to these meetings. That's probably the best money you'll spend. And it's foolish not to take the expense of going to them as deductions on your returns."

Use space efficiently

Merchandising not only brings more clients through your door, it



"We need to be acutely aware of rising drug costs and raise pharmacy and inpatient medication fees accordingly."

can help you make more efficient use of your office space, says practice management consultant Ross Clark, DVM. "In our clinic, merchandising enables us to gross more dollars per square foot, thereby lowering our cost of rent as a percentage of gross," Dr. Clark explains.

He advises veterinarians who are thinking of expanding their clinics to be careful when investing in additional space. "Some people think if they have more space they can make more money. But actually, they may not be utilizing the space they have now properly," he says.

Dr. Clark says to "do a cost analysis and see if, when you add space, you'll also add clients and/or more services that your current clients will use. Don't just add non-revenue-producing space like another lounge."

Merchandising efforts in his own clinic are proving to be more efficient than he anticipated, Dr. Clark says. "These merchandising areas serve as storage space as well as marketing areas," he says. "Where these supplies used to be in the back room, now they're in the front room, available for clients to purchase them."

Dr. Clark recommends that you carefully weigh potential advantages and disadvantages of equipment purchases:

"For example, with the advent of new injectable anesthesia, you have the option to carefully weigh the additional cost of gas anesthesia as an up-front and ongoing expense," he says. "Because injectables are constantly improving, the need for a gas anesthesia machine may not be as great in your particular situation."

Dr. Clark also stresses that, in order to combat rising drug costs, veterinarians have to keep up with their fees. "Our costs may be increasing because the drug companies' costs are increasing, what with the escalating FDA involvment and the litigation going on," he says. "We need to be acutely aware of that and raise pharmacy and inpatient medication fees accordingly."

Dr. Clark also says that his practice management philosophy is to enhance revenue rather than control costs. "Don't get paralysis by analysis," he says. "In other words, don't be so concerned about how many paper towels you use or you may overlook more substantial opportunities.

"Of course you should pay attention to the large departments, like salary, drugs and supplies, and office rent. But as long as you keep these in line, and keep your revenue in line, you should be in good shape."

MEASURING INCOME vs. EXPENSES

High earners keep expenses to a smaller percentage of gross.

1987 gross income	Median expenses	Percent of gross
$ 50,000 –$ 99,000	$ 39,400	56.1%
100,000 – 149,000	70,800	60.5
150,000 – 199,000	99,600	58.5
200,000 or more	160,200	54.7

All figures are medians.

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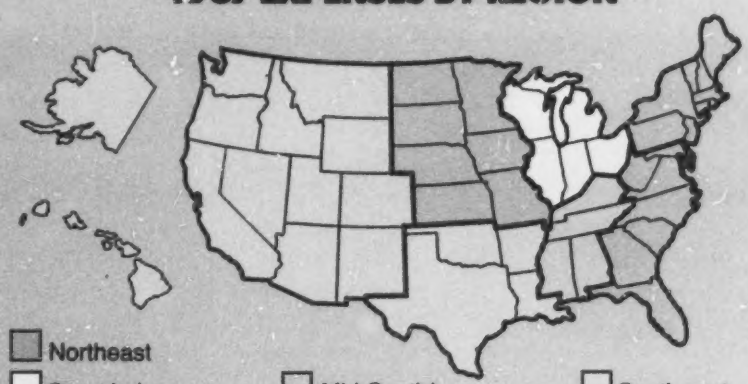
1987 EXPENSES BY REGION



Northeast
Great Lakes
Plains
Mid-South*
South Atlantic
Southwest
West

Salaries, bonuses, retirement for non-DVM assistants	1987	$23,700	$20,000	$14,200	$28,200	$22,200	$26,700
	Percent of gross	15.8%	14.3%	11.9%	15.3%	15.2%	16.3%
Salaries, bonuses, retirement for employed DVMs[1]	1987	$25,000	$26,200	$24,000	$30,800	$26,000	$19,600
	Percent of gross	11.0%	14.5%	14.6%	10.6%	12.5%	9.0%
Office or hospital mortgage or rent	1987	$8,900	$10,100	$5,400	$13,100	$11,100	$15,400
	Percent of gross	7.0%	6.1%	5.6%	7.4%	7.7%	7.9%
Drugs and medical supplies[2]	1987	$31,500	$32,200	$39,500	$34,200	$29,400	$30,000
	Percent of gross	21.0%	22.9%	28.2%	19.6%	22.0%	20.1%
Continuing Education[3]	1987	$900	$500	$700	$1,100	$900	$900
	Percent of gross	0.9%	0.6%	0.7%	0.9%	0.7%	0.8%
Depreciation on medical equipment	1987	$2,500	$2,700	$3,400	$5,000	$3,300	$4,300
	Percent of gross	1.8%	2.2%	2.0%	2.7%	2.6%	2.8%
Professional car upkeep and depreciation	1987	$4,200	$3,700	$4,200	$2,400	$3,400	$3,400
	Percent of gross	2.9%	2.8%	3.3%	1.7%	2.7%	2.5%

[1] Percentages of gross in compensation for employed DVMs category are based on each employer DVM's *individual* share of expense.

[2] Includes nondepreciable small instruments.

[3] Includes registration fees, cost of materials and travel, meals, and lodging.

*Insufficient base for Mid-South figures.

All figures are medians.

■

WILL YOU LOSE CLIENTS IF YOU RAISE YOUR FEES?

These veterinarians work in boom *and* bust economies. But higher fees haven't cost them clients.

By Jingle Davis

Do higher fees mean fewer clients? More than 80 percent of the practitioners who responded to a recent VETERINARY ECONOMICS survey say they've raised their fees—some by as much as 30 percent—without losing any clients.

Take, for example, David Menard, DVM, who successfully raised his fees an average of 15 percent. Dr. Menard is the sole proprietor of the Northside Pet Hospital in Eau Claire, Wis., a city of about 55,000. Working with two non-DVM staff members in his 500-square-foot hospital, Dr. Menard, 33, sees an average of seven clients a day, with an average transaction of $27. Nearly 90 percent of his practice, which annually grosses $75,000, is devoted to small animals.

"I needed to increase my income," he says. "The practice wasn't growing as quickly as I wanted it to, and other competing practices had increased their fees. As long as the price pressure was up, I decided to keep it that way."

Dr. Menard says his primary goal was fair compensation. "I wanted to get my prices more in line with what I felt my professional time was worth," he says.

When calculating how to raise his fees, Dr. Menard first considered his time and costs. "I sat down and figured out how long it took me to do procedures, especially surgeries, and what I felt was a proper return for my time," he says. "Then I figured in what my material costs were, and compared that with what I was presently charging." In practice situations where time was a major factor in performing certain tasks, prices went up the most, he says.

Dr. Menard didn't announce the fee changes, but he continued to itemize charges on his invoices. Did he lose clients as a result? "I don't know for sure, of course. I know some clients have changed clinics, but it was more a matter of convenience because another clinic was closer. So far, nobody's mentioned price. I haven't had a single complaint about the higher fees. Not one."

Dr. Menard credits the lack of complaints to the type of clients he has. "The clients I've gotten in the last year-and-a-half of my business are not the kinds of clients who are going to be scared away by a fee increase," he says. "They come here because they like the way I do things, not because of what I charge. Certainly there is an upper limit to what they're willing to pay, but I don't think price is their main reason for coming."

"As long as clients feel they're getting a fair price and good service, good clients will not drop you," he continues. "I could probably get more patients with lower fees, but the clients attracted by discounts are not the ones we want to make up our clientele. And I've always been specific on invoices. People like to know what they're paying for," he says.

Charging the market

Pat Melese, DVM, of the Academy Animal Hospital in Solana Beach, Calif., says he and his colleagues raised their fees because they felt "it was about time to come up to market charge."

Dr. Melese, a 1986 graduate of the University of California, Davis, holds a master's degree in animal behavior and neurophysiology from UCD and operates a con-

THE AUTHOR, who writes for THE ATLANTA CONSTITUTION, is VETERINARY ECONOMICS' southeast correspondent.

Circle No. 121 on Inquiry Card

See brief summary on page 69

Pitman-Moore Biologicals Have Passed The Test Of Time

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sulting business in animal behavior. At the Academy Animal Hospital, five practitioners and 15 employees see an average of 40 clients a day, with an average transaction of $70. The hospital, in an upscale area, grosses about $720,000 a year, Dr. Melese says.

When the hospital raised fees an average of 10 to 15 percent at the beginning of the summer, Dr. Melese says practitioners at the small animal hospital had specific goals in mind. "We wanted to meet the salary requirements of the lay staff and have a certain profit margin for the hospital," he says. "We felt we were undercharging in certain areas."

According to Dr. Melese, he and his associates had little fear of losing clients. "In this area, our fees are still competitive," he says. "It wasn't a uniform raising of fees. Those that were profitable, we maintained. Some that were less profitable, we raised."

Dr. Melese says they didn't announce the fee hike, although in retrospect he thinks they should have. "If we had it to do over again, I think we should have announced it and explained why we were doing it," he says. "It would be better than having clients come in and find out about the higher fees for the first time when they receive their bills."

> "Fees have to go up because of expenses."

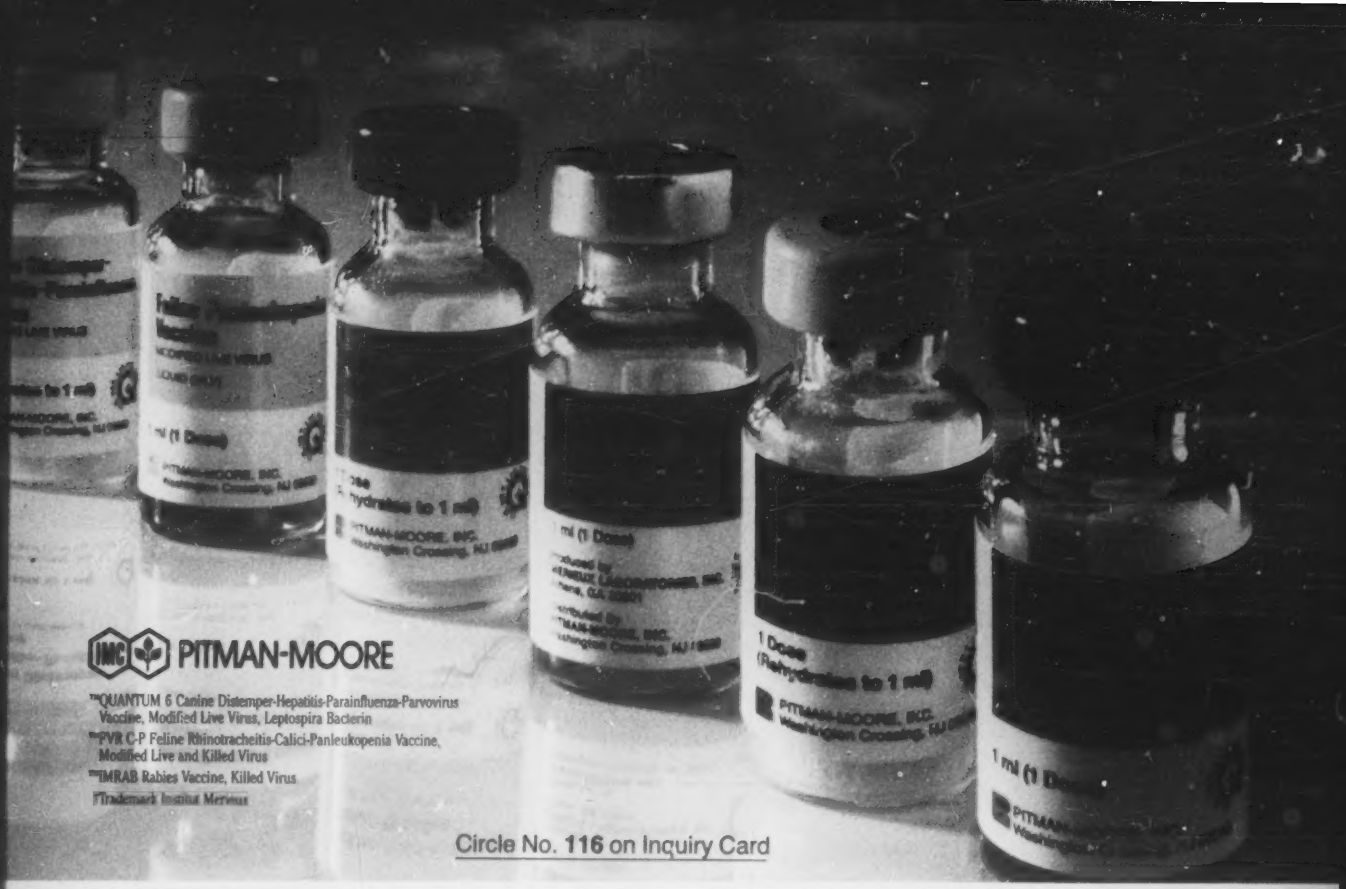
But justifying the increases isn't a problem, he says. "We explain that fees have to go up eventually because of increased expenses. Our fees had not been raised in two years, and it was time to do it. We've had some complaints from long-time clients who were surprised—but they understood when we explained."

Did any clients take their business elsewhere? "I really don't think we've lost any," Dr. Melese says. "We've been pretty busy since we raised fees the first of the summer. One of the things that worked out nicely is that our computer system holds a program that allows us to raise fees easily in smaller increments, so it's less shocking to clients," he says.

Fee hikes in a poor economy

A depressed farm and oil economy makes fee hikes particularly difficult for Jean R. Allbright, DVM, whose Heath Veterinary Hospital is in Billings, Mont. "We're in the old, original part of Billings, near low-income areas," Dr. Allbright, 38, says. "This is not a prosperous boom-town economy."

Dr. Allbright opened the 1,800-square-foot clinic two years ago, after spending 12 years in other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private practices. She employs three staff people and a part-time practitioner. About 15 clients, with an average transaction of $30 to $34, visit the clinic daily. The annual gross is $180,000.

Raising fees, she says, was a difficult, but necessary, decision. "I have a hard time with fees," she admits. "I spent the first eight years of my practice career in a hospital that routinely charged low fees. Although we received a good volume of business, I didn't get a very good preliminary education in charging clients for what things are worth."

Her personal background makes her sympathetic to others in her area, she says. "I grew up in a ranch situation, and I'll look at something and think, 'that's a lot of money for that procedure,' so I won't charge as much as I should."

But she hasn't lost clients with her higher fees. "I've had no complaints," she says. "I don't think people for the most part are even aware I raised prices seven months ago."

To raise her fees, Dr. Allbright says she "just did what looked reasonable. I didn't want to take any quantum leaps." And she didn't make any announcements to her clients either. "I didn't and I wouldn't announce a change, especially if I raised fees for my office call. I now charge $14, which is low to middle-of-the-road for the town of Billings."

Dr. Allbright says it would be hard for her to raise fees for office calls or vaccinations, which are a little more "visible" to price shoppers. "There hasn't been a change in my fee structure in the last two years," she says. "The fees I raised were ones that wouldn't be affected by telephone shoppers, such as laboratory fees, X-ray fees, and some surgery fees."

"I suppose the ultimate, underlying fear is losing clients," she admits. "But I also understand the situation of the economy, and I'm doing OK the way my fees are now. Sometimes, I wonder if raising fees is the right thing to do, personally as well as professionally. If I were in a booming economy, I don't think it would bother me as much."

Helping clients understand

James G. Adams, DVM, says "we've probably had fewer complaints about fees now than we did before we raised them. I think it's important that you don't just raise prices one time and say you're doing great. You have to keep up with inflation. If you don't, you're losing ground."

Dr. Adams, whose buy-in story begins on page 40 of this issue, says that fees at the Carroll Veterinary Clinic in Hillsville, Va., increased 35 percent during the last year. "Phasing in the new fees helped. Our fees didn't double overnight, and we didn't raise all of our fees," he says.

Before raising fees, Dr. Adams

says he and his associates "took a look at how hard we were working and what we were taking home every year, compared to what some of the surveys indicated we ought to be making. We also compared our fees with what people pay for comparable services from physicians and other professionals, and with the cost of living in our area. We decided we were providing a good service and were not charging enough for it."

Dr. Adams continues: "We just wanted to be better-compensated for what we were doing. We wanted to avoid ending up like so many other professionals: burned-out and overworked. They can't afford to hire an associate or take advantage of new techniques and equipment because the income just isn't there."

"When we were determining the percentage to raise each fee," Dr. Adams says, " we looked at the fee individually to be sure we kept our charges in line. For example, we didn't want a fecal check to cost more than a physical exam."

If a client complains about fees, Dr. Adams and his colleagues try to determine what is really bothering the client. "Many times, it's not the price, but the perception that there wasn't a service to go along with it," he says.

"If somebody complains simply because they think we're charging more than we should, we try to explain that an awful lot of people in our extended family depend on this practice for income. We also try to point out what a good value it is. We tell the client that if he had the same procedure done on himself, it might cost $10,000."

Along with the fee increases, Dr. Adams says the clinic also instituted a policy of itemizing charges more completely. "We added different service categories, and we try to list and charge for everything now," he says. "Before, we might stain an eye or do ear mite swabs as a matter of course. Now, we've started charging for things we've always done but had never charged for before. People don't realize you do these things unless you charge for them." ■

THESE VETERINARIANS SAY CLIENTS WON'T FLEE

In a recent VETERINARY ECONOMICS survey, we asked 500 veterinarians nationwide if they've raised their fees in the last two years. More than *90 percent* of the 138 respondents said "yes." And nearly 90 percent of those practitioners said they did not lose clients as a result. How would you answer these questions?

	Response	Percent of survey respondents
Have you raised your fees in the last two years?	Yes	90.6%
	No	9.4
If yes, by what percent?	1-5%	26.5
	6-10%	48.7
	11-20%	21.4
	21-25%	0.9
	26-30%	0.9
	More than 30%	1.7
If yes, did you lose clients as a direct result of raising your fees?	Yes	10.5
	No	89.5